

CHAPTER NO. 149

SENATE BILL NO. 458

By Rochelle

Substituted for: House Bill No. 1137

By McMillan

AN ACT To amend Tennessee Code Annotated, Section 7-86-105 and Section 7-86-304, relative to emergency communications districts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-86-105, is amended by deleting subdivision (b)(1) in its entirety and by substituting instead the following:

(b)(1) Except as otherwise provided by law, an emergency communications district shall have a board of directors composed of not less than seven (7) nor more than nine (9) members to govern the affairs of the district. For districts created by a county legislative body, the county executive shall appoint the members of the board of directors subject to confirmation by the county legislative body. When the county executive names an appointment to the board, the county legislative body has ninety (90) days or until the conclusion of its next regularly scheduled meeting, whichever is later, to confirm or reject the appointment. If the legislative body does not act within this time period, the appointment shall take effect without confirmation. In any municipality having a population of less than thirty thousand (30,000) according to the 1980 federal census or any subsequent federal census, having adopted home rule pursuant to the Constitution of Tennessee, Article XI, Section 9, and having an incorporated area lying in two (2) counties, the board of directors may be the legislative body of such municipality if the emergency services are provided by such municipality.

SECTION 2. Tennessee Code Annotated, Section 7-86-105(c), is amended by adding the following language at the end of the section:

Members shall serve until a successor is duly appointed and, if required by this section or any other provision of law, confirmed.

SECTION 3. Tennessee Code Annotated, Section 7-86-304, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d)(1) Any emergency communications district that is a financially distressed emergency communications district shall be subject to the supervision and evaluation of the board. For the purposes of this chapter, a "financially distressed emergency communications district" is a district, which, as shown by the annual audits:

(A) Fails to produce revenues sufficient to provide for all expenses and maintenance of the district, including reserves thereof, for a period of three (3) consecutive years;

(B) Has a deficit retained earnings balance; or


(C) Is in default on any indebtedness.

(2) After reviewing the financial statements and operations of any financially distressed emergency communications district, and after holding a public hearing within such district's service area, the board may prescribe a rate structure, up to the maximum established pursuant to §7-86-108(a)(2)(A), to be adopted by the district, as may be necessary to cause the district to liquidate in an orderly fashion any retained earnings deficits, to cure a default on any indebtedness of the district, and/or to remedy the failure of the district to produce revenues sufficient to provide for all expenses and maintenance of the district, including reserves.


SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 25, 2001


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 3rd day of May 2001


DON SUNDQUIST, GOVERNOR